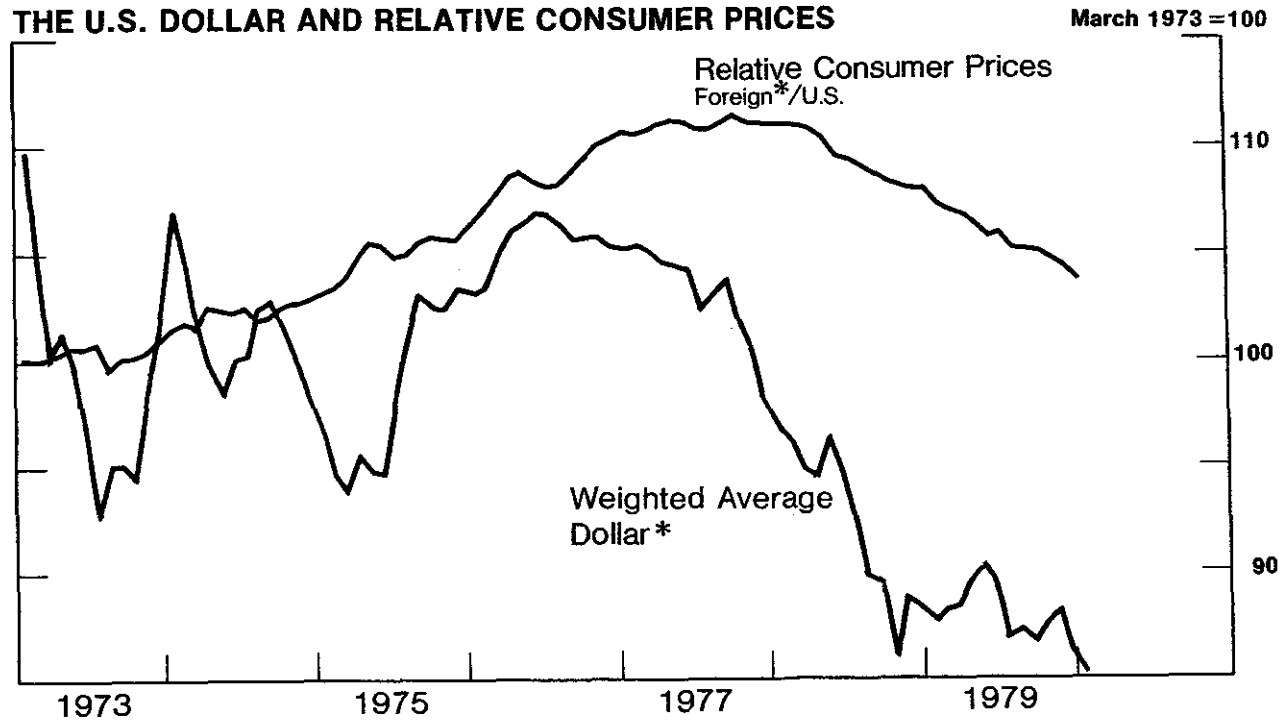
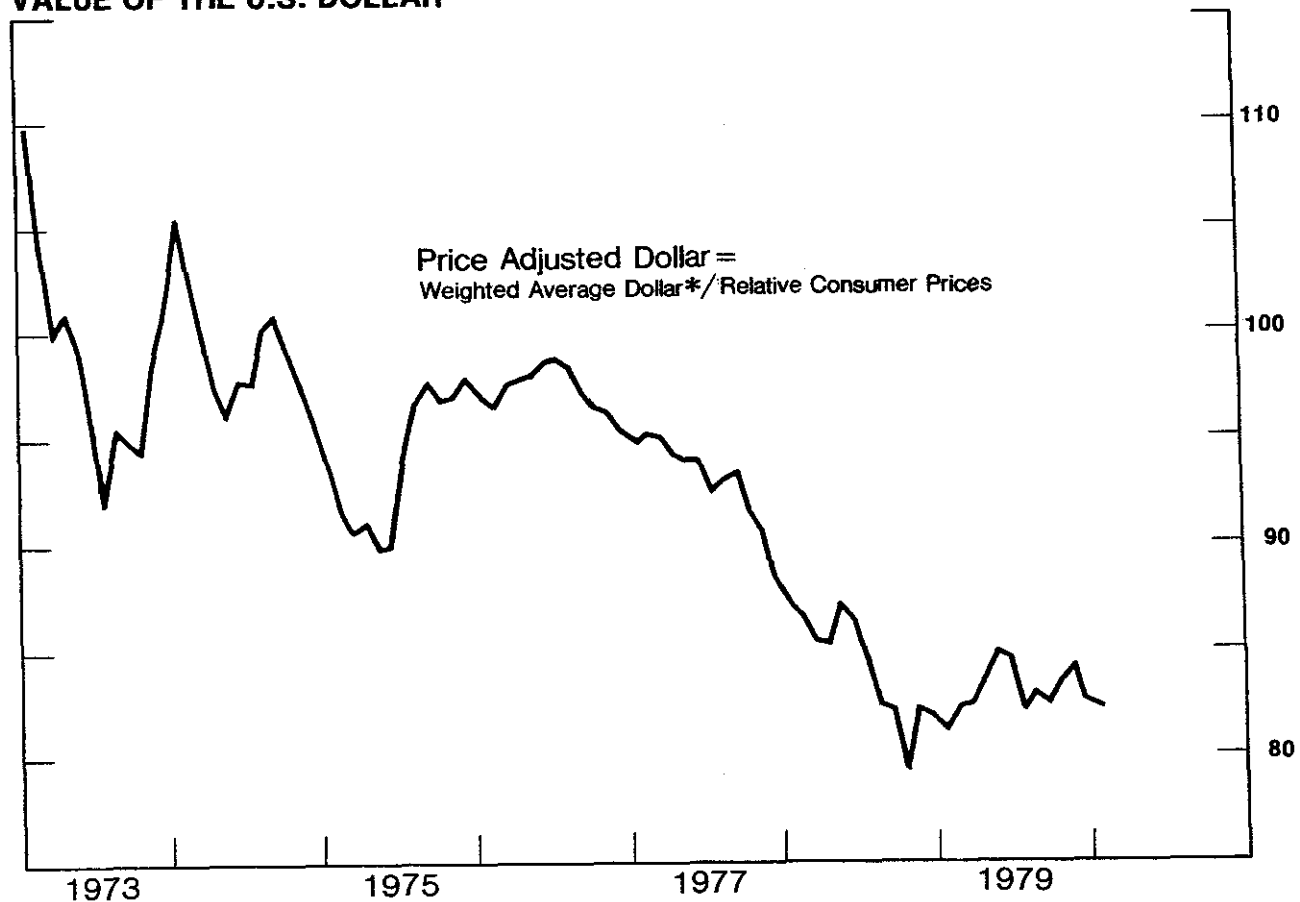


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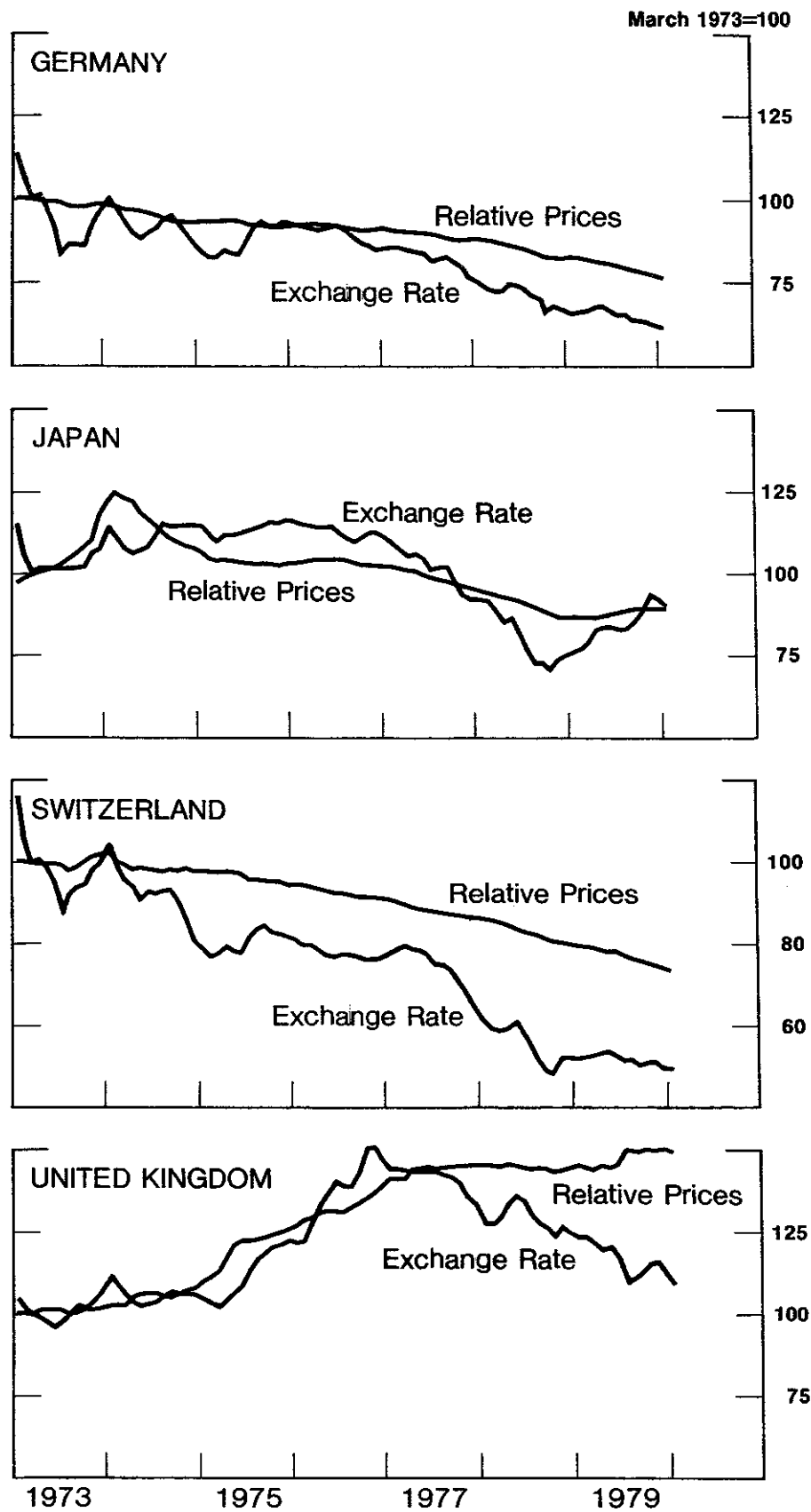
*Material for
Staff Presentation to the
Federal Open Market Committee*

“International Financial Trends”

February 4, 1980

**WEIGHTED AVERAGE EXCHANGE VALUE OF
THE U.S. DOLLAR AND RELATIVE CONSUMER PRICES****PRICE ADJUSTED WEIGHTED AVERAGE EXCHANGE
VALUE OF THE U.S. DOLLAR***

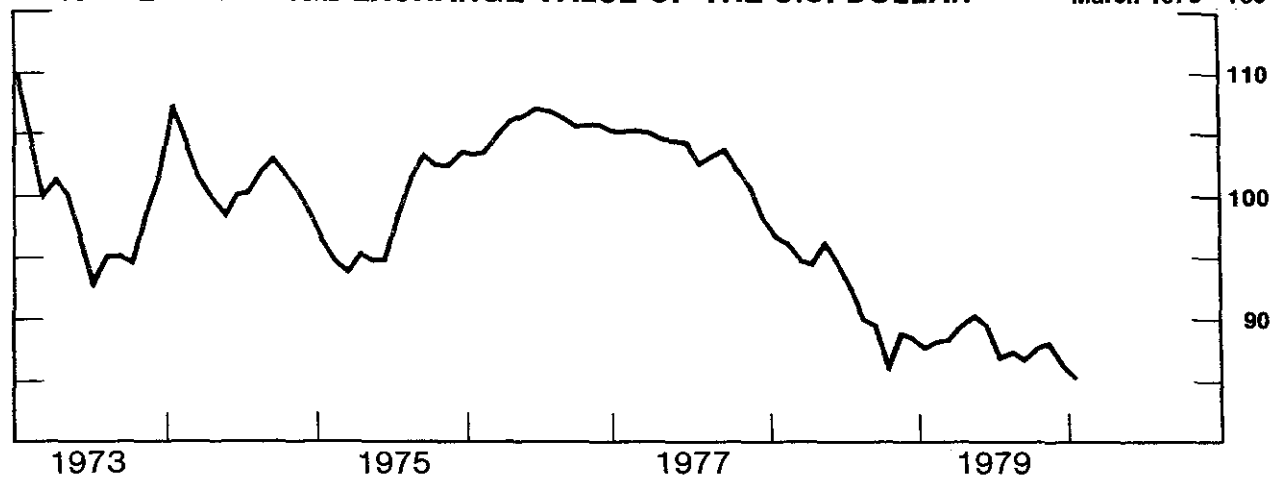
*Weighted average against G-10 countries plus Switzerland using total 1972-76 average trade of these countries.

**BILATERAL EXCHANGE RATES AND
RELATIVE PRICE LEVELS***

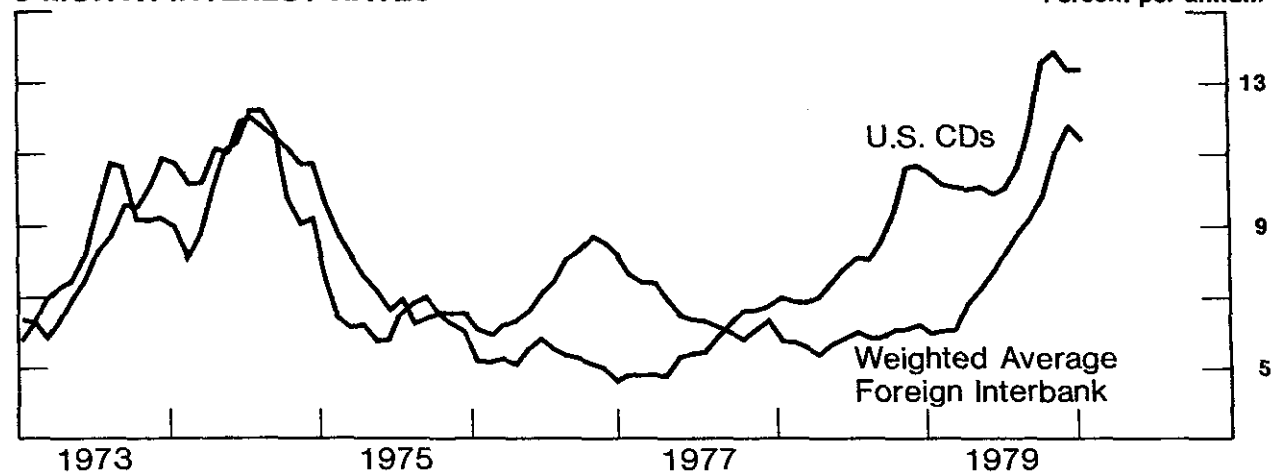
* Consumer prices, except for Japan where wholesale prices are used for Japan and the United States.

WEIGHTED AVERAGE EXCHANGE VALUE OF THE U.S. DOLLAR

March 1973=100

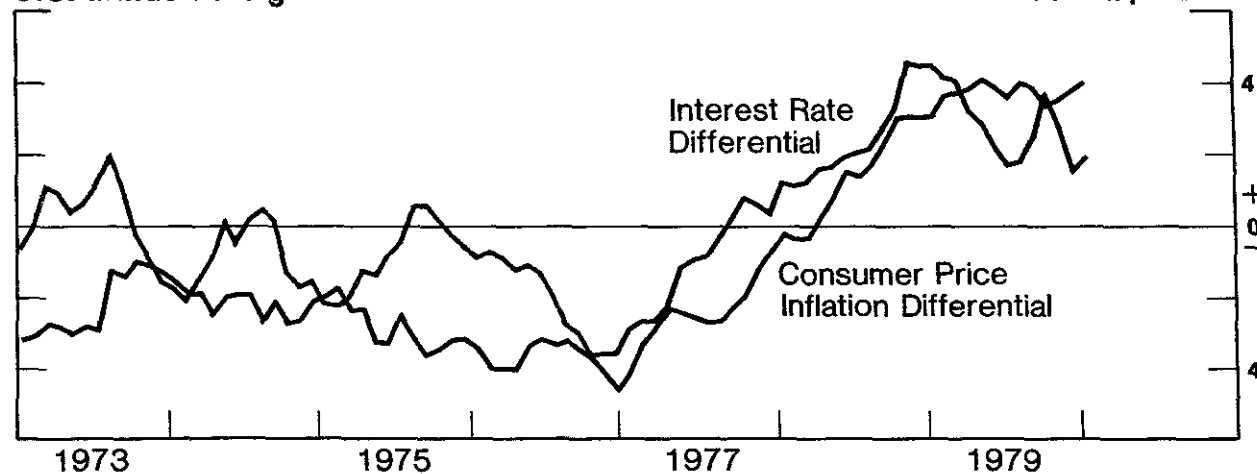
**3-MONTH INTEREST RATES**

Percent per annum

**INTEREST RATE AND INFLATION DIFFERENTIALS**

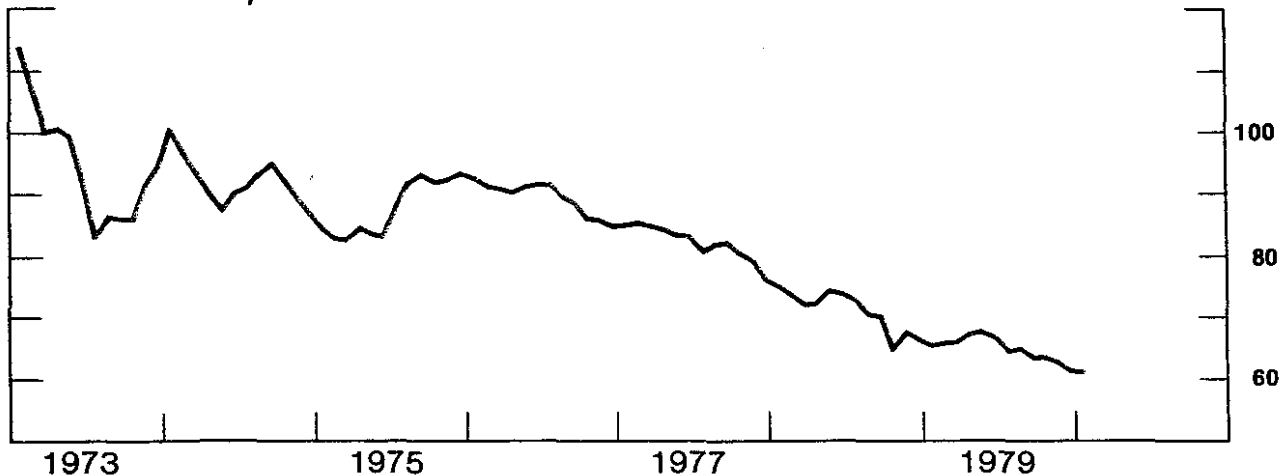
U.S. Minus Foreign

Percent per annum



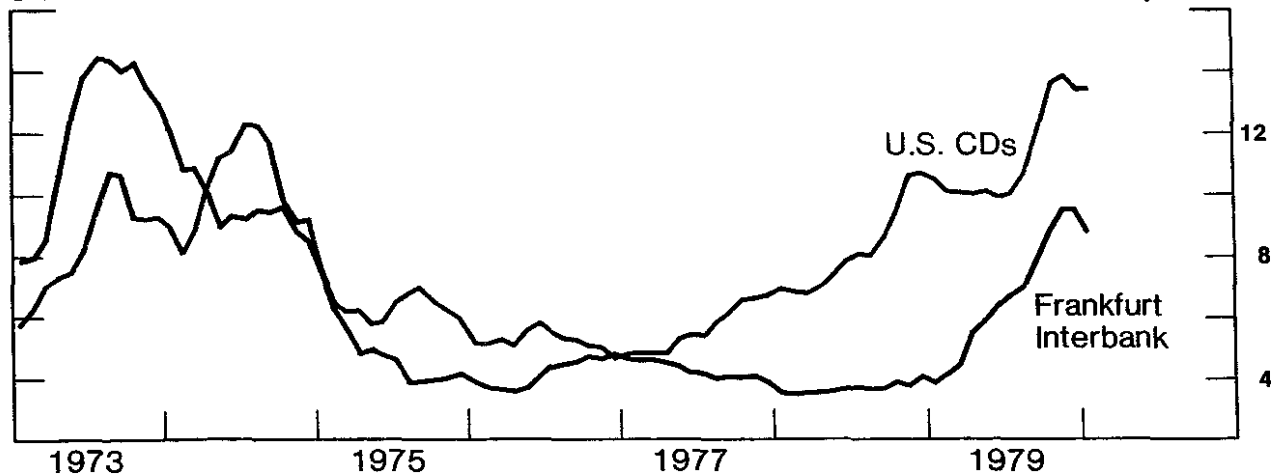
GERMAN MARK/U.S. DOLLAR EXCHANGE RATE

March 1973=100



3-MONTH INTEREST RATES

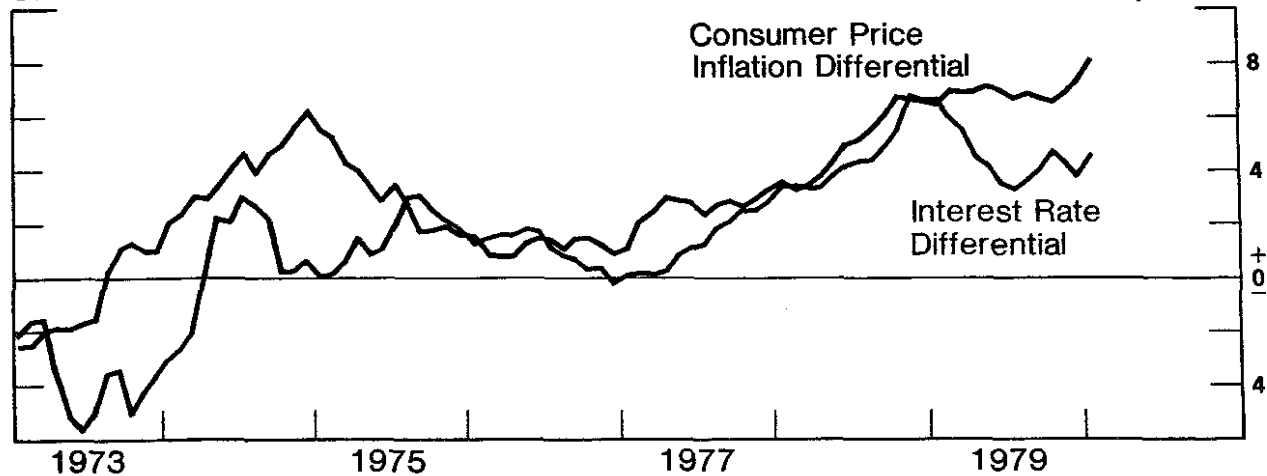
Percent per annum

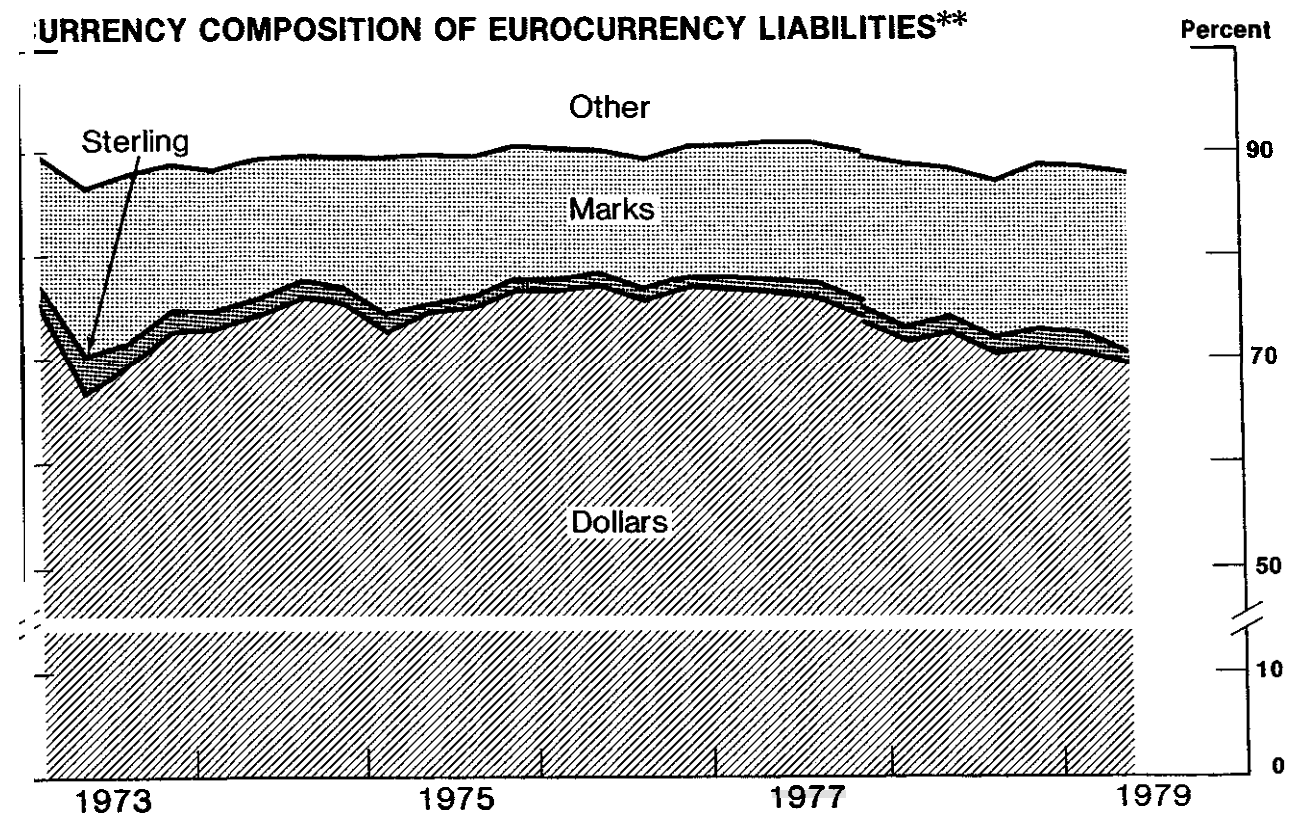
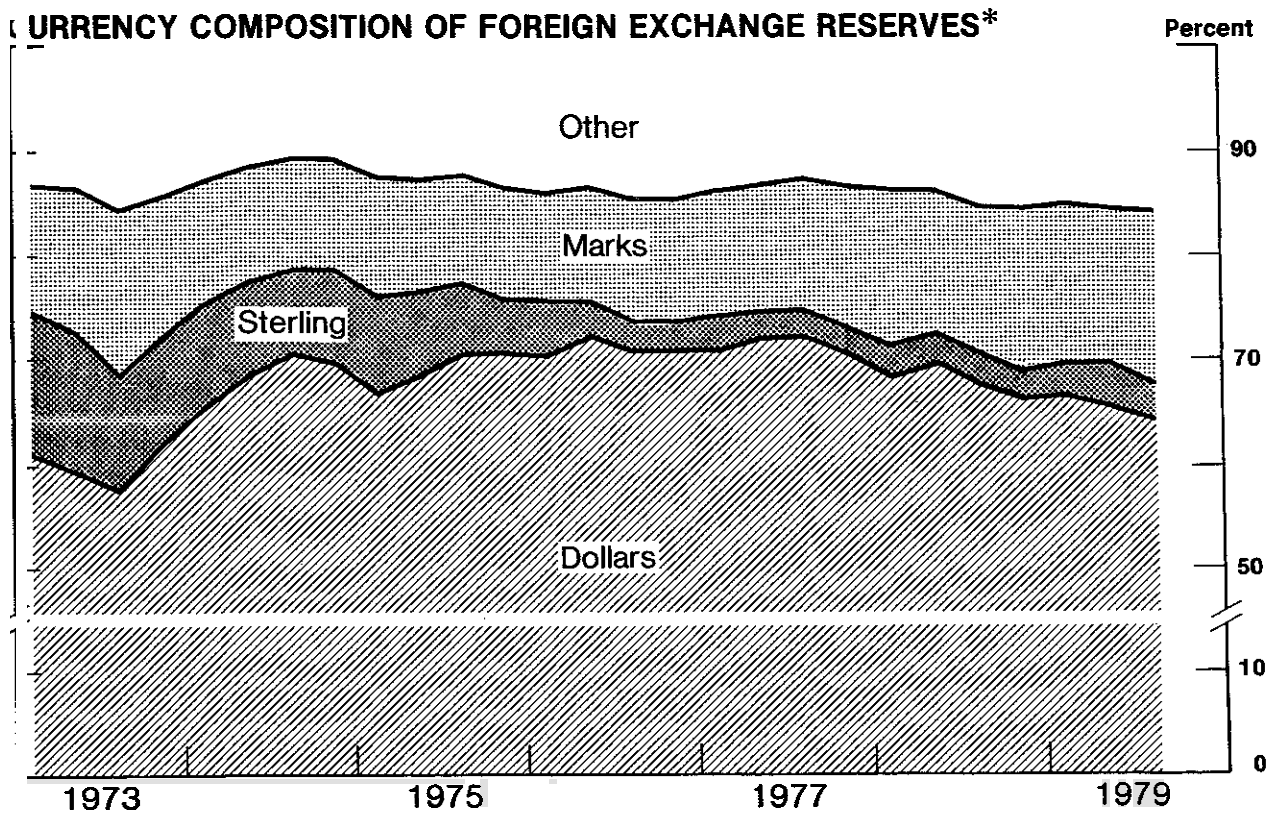


INTEREST RATE AND INFLATION DIFFERENTIALS

U.S. Minus German

Percent per annum

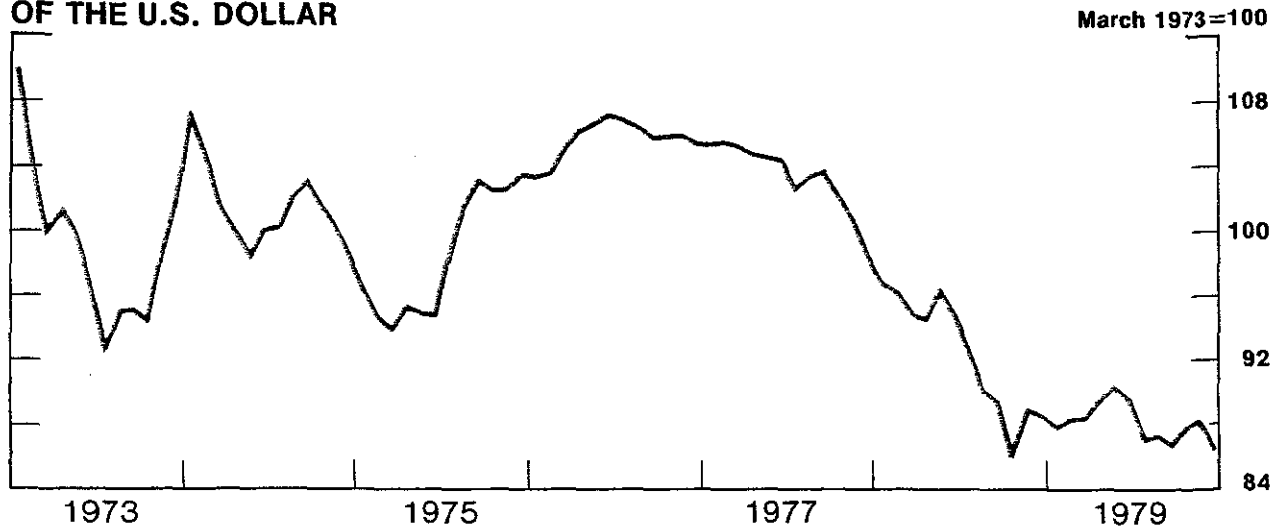




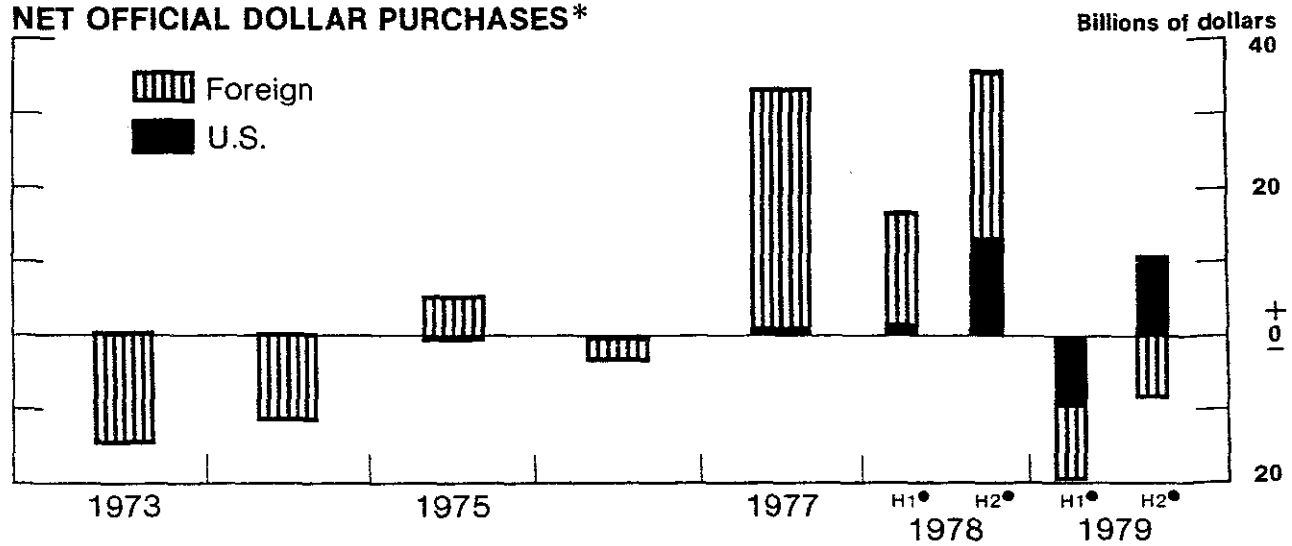
* Reserves of 76 countries, excluding reserve centers and countries that have not reported regularly to the IMF

** Excluding liabilities in offshore banking centers

WEIGHTED AVERAGE EXCHANGE VALUE OF THE U.S. DOLLAR



NET OFFICIAL DOLLAR PURCHASES*



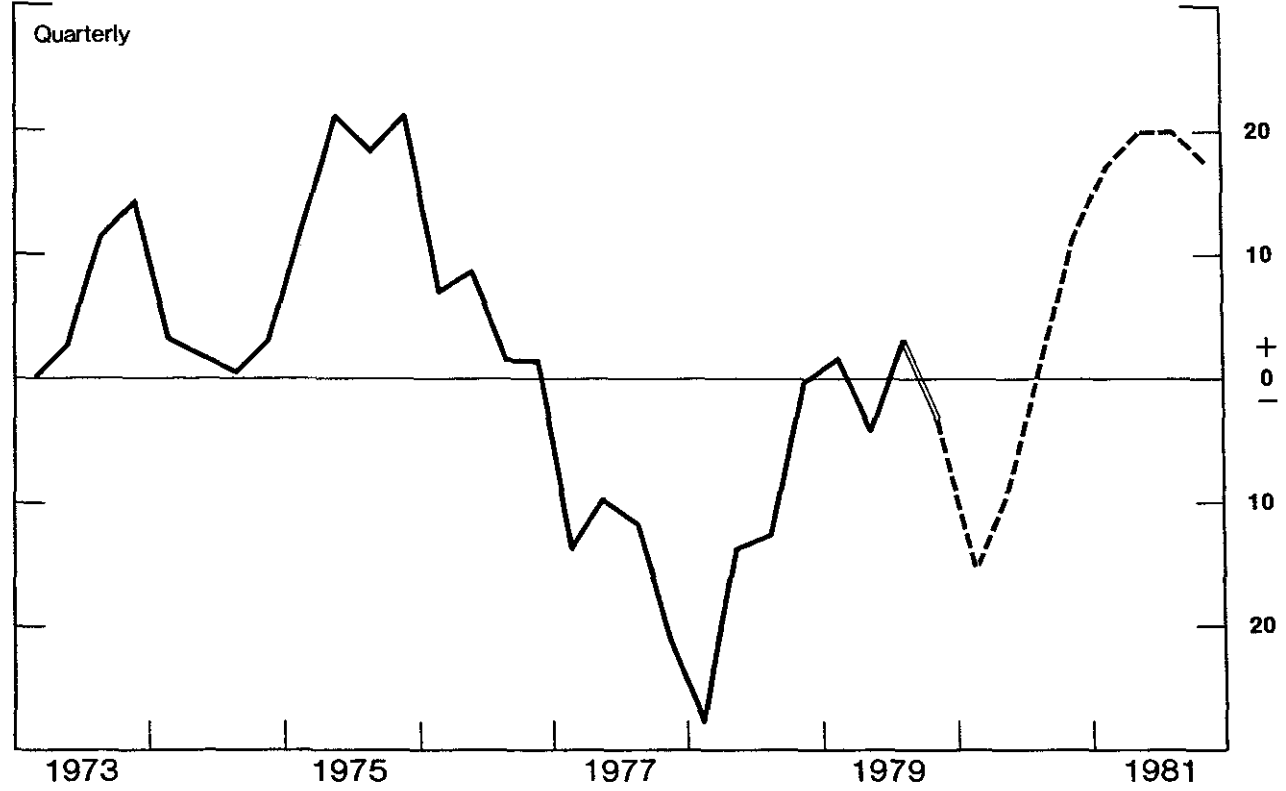
NET FOREIGN OFFICIAL DOLLAR PURCHASES*



* G-10 countries plus Switzerland
● Annual rate

U.S. CURRENT ACCOUNT BALANCE

Seasonally adjusted, annual rate,
billions of dollars



WEIGHTED AVERAGE EXCHANGE VALUE OF THE U.S. DOLLAR

March 1973=100

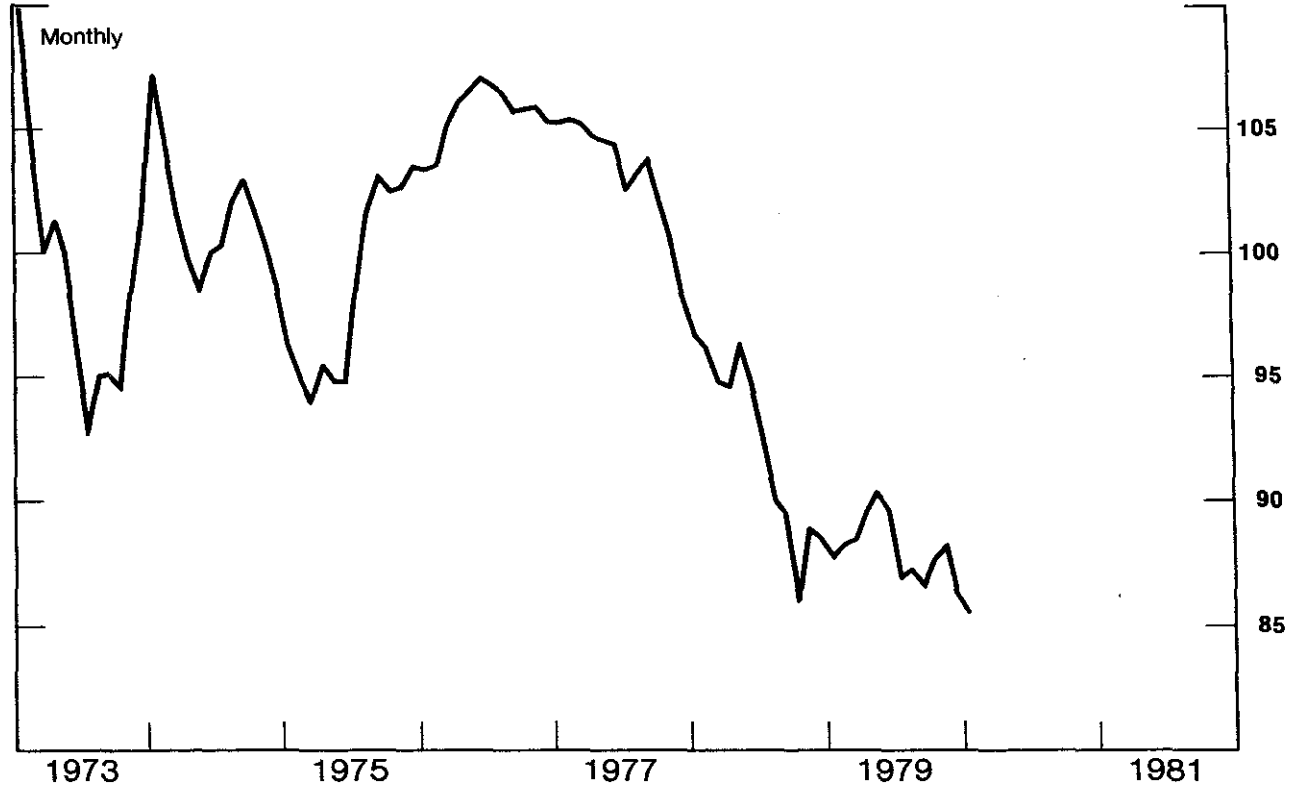
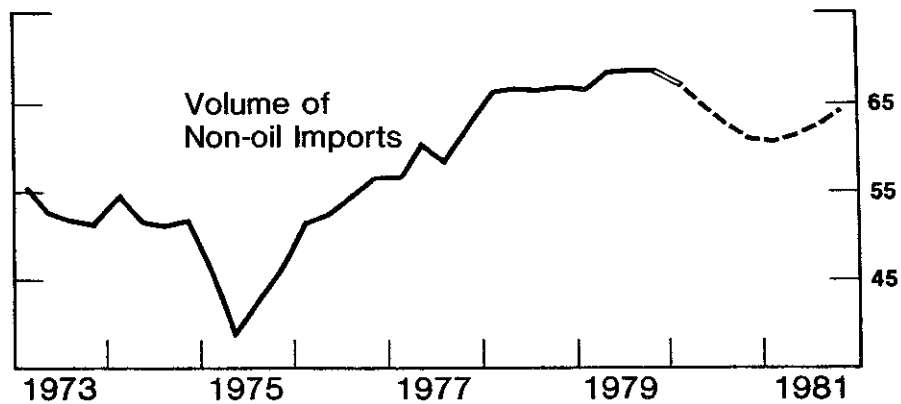
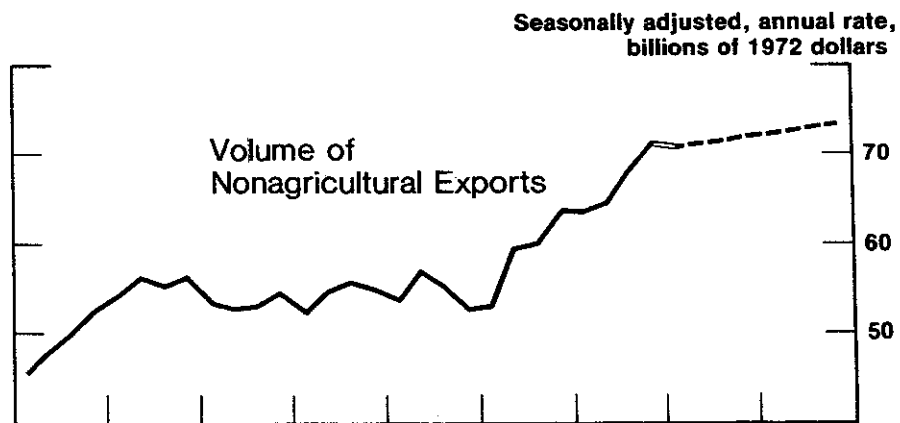
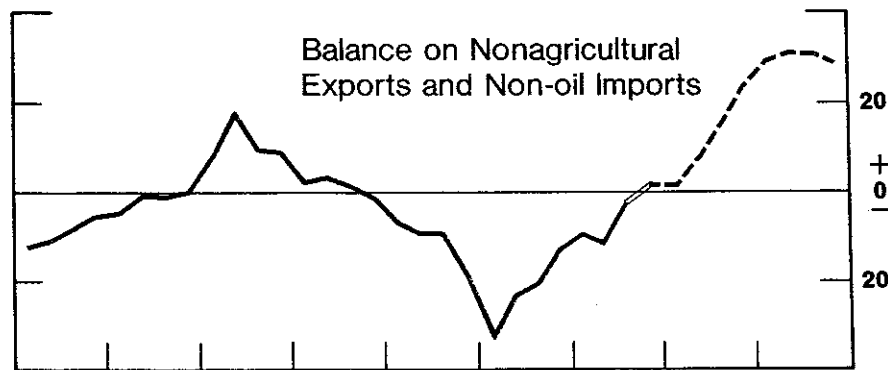
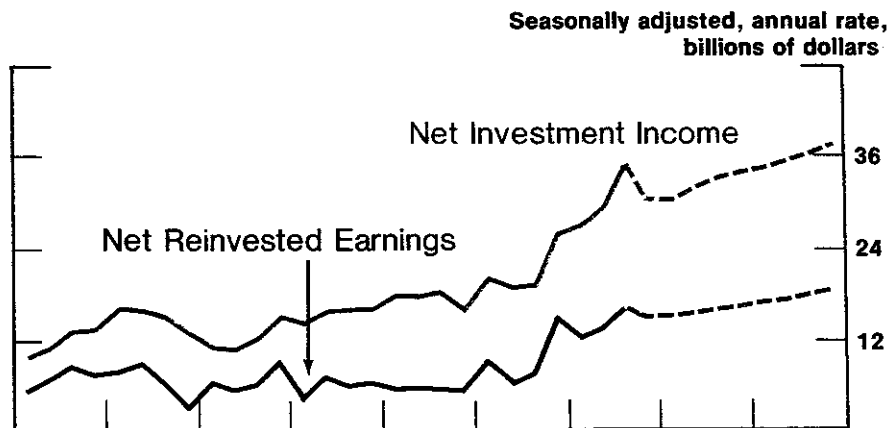


Chart 8

CONFIDENTIAL (FR)
Class II - FOMC



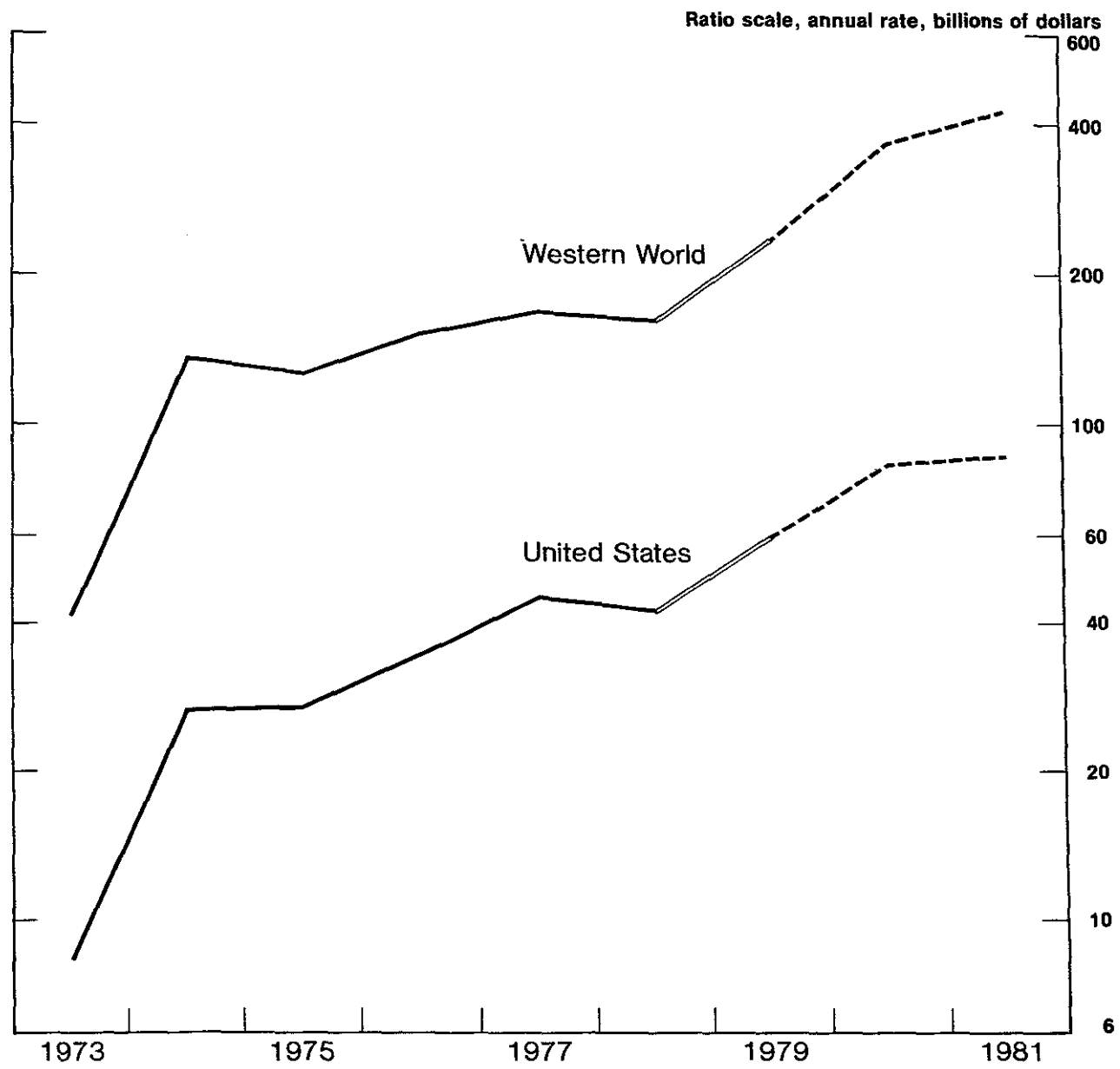
OIL IMPORT BILLS

Table I

GLOBAL CURRENT ACCOUNT BALANCES

Balances on Goods, Services, Private and Official Transfers; Billions of Dollars

	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979^e</u>	<u>Staff Projection</u>	
								<u>1980</u>	<u>1981</u>
1. United States	7.1	4.3	18.3	4.6	-14.1	-13.5	-1.0	-3½	18½
2. Other OECD	3.0	-31.4	-18.7	-22.8	-10.7	22.6	-32.5	-58½	-49
3. OPEC	8.0	70.0	31.0	37.0	30.0	7.0	65.0	113	91
4. Non-oil Developing Countries	-7.1	-24.2	-32.0	-20.2	-14.5	-25.7	-39.0	-58	-61
5. Other ^{1/}	-3.5	-9.5	-18.5	-13.0	-8.5	-9.5	11.0	-12	-13

^{1/} Principally Sino-Soviet area and East European countries.

e = estimate

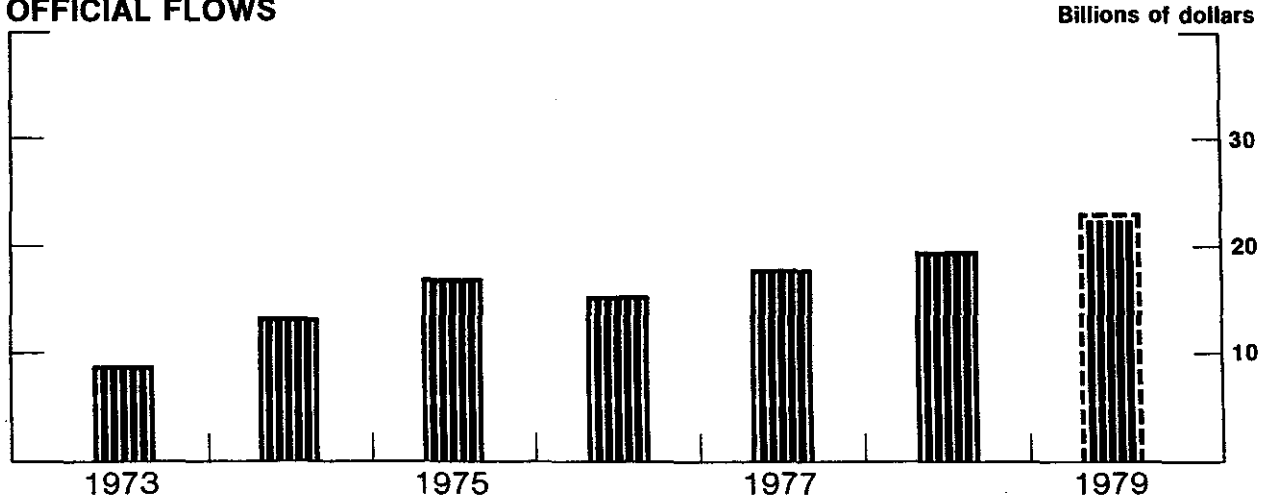
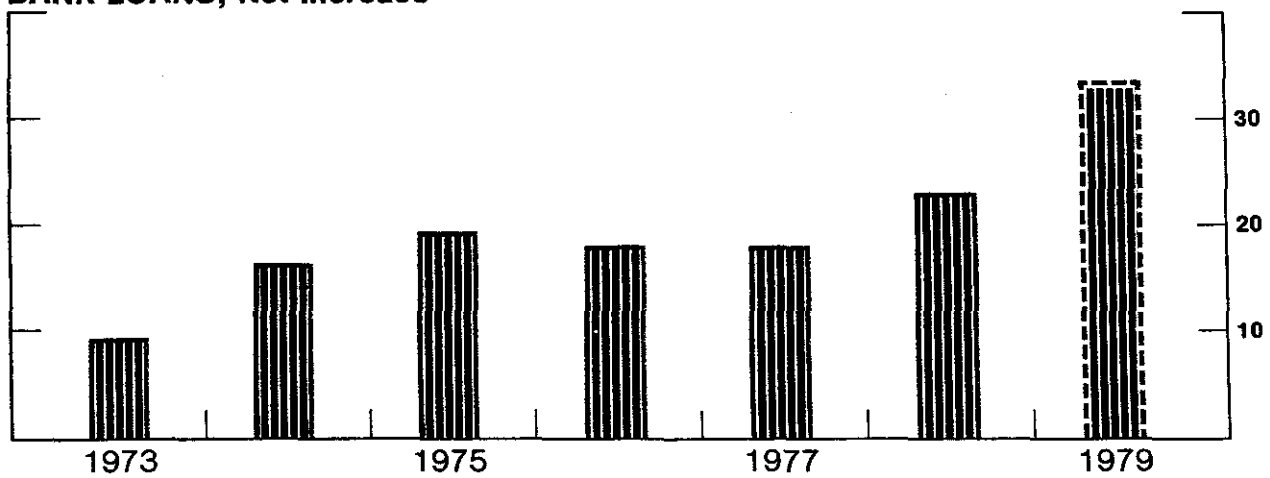
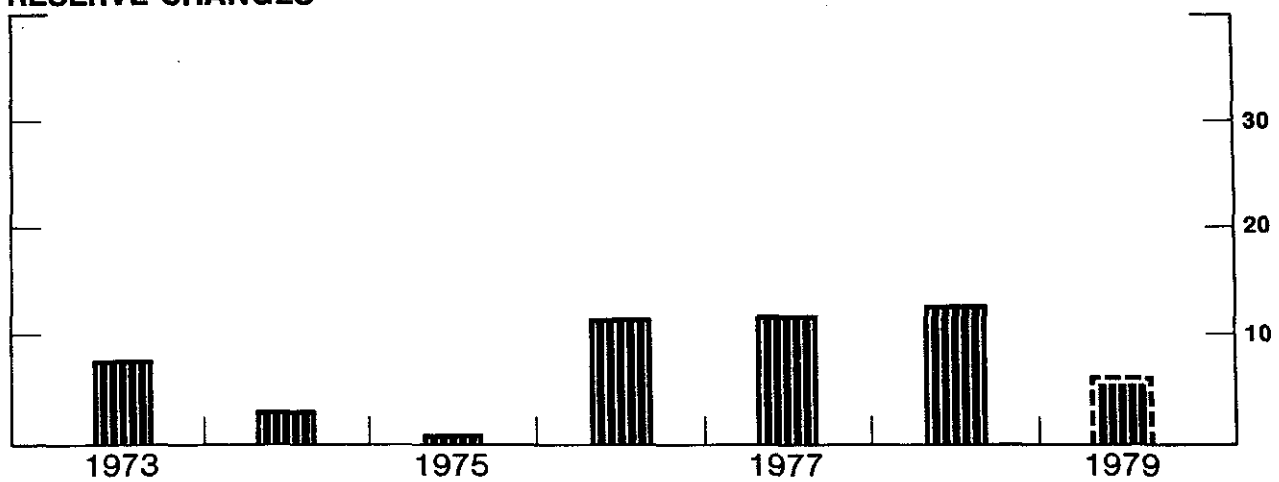
FINANCIAL FLOWS OF NON-OIL DEVELOPING COUNTRIES**OFFICIAL FLOWS****BANK LOANS, Net Increase****RESERVE CHANGES**

Table II

EXTERNAL DEBT OF NON-OIL DEVELOPING COUNTRIES
Billions of Dollars

	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979^e</u>
Total Debt ^{1/}	100	140	170	200	230	285	350
of which to banks ^{2/}	28	44	63	81	99	122	155
U. S. banks' share	54%	57%	54%	52%	48%	42%	39%
Foreign banks' share	46%	43%	46%	48%	52%	58%	61%

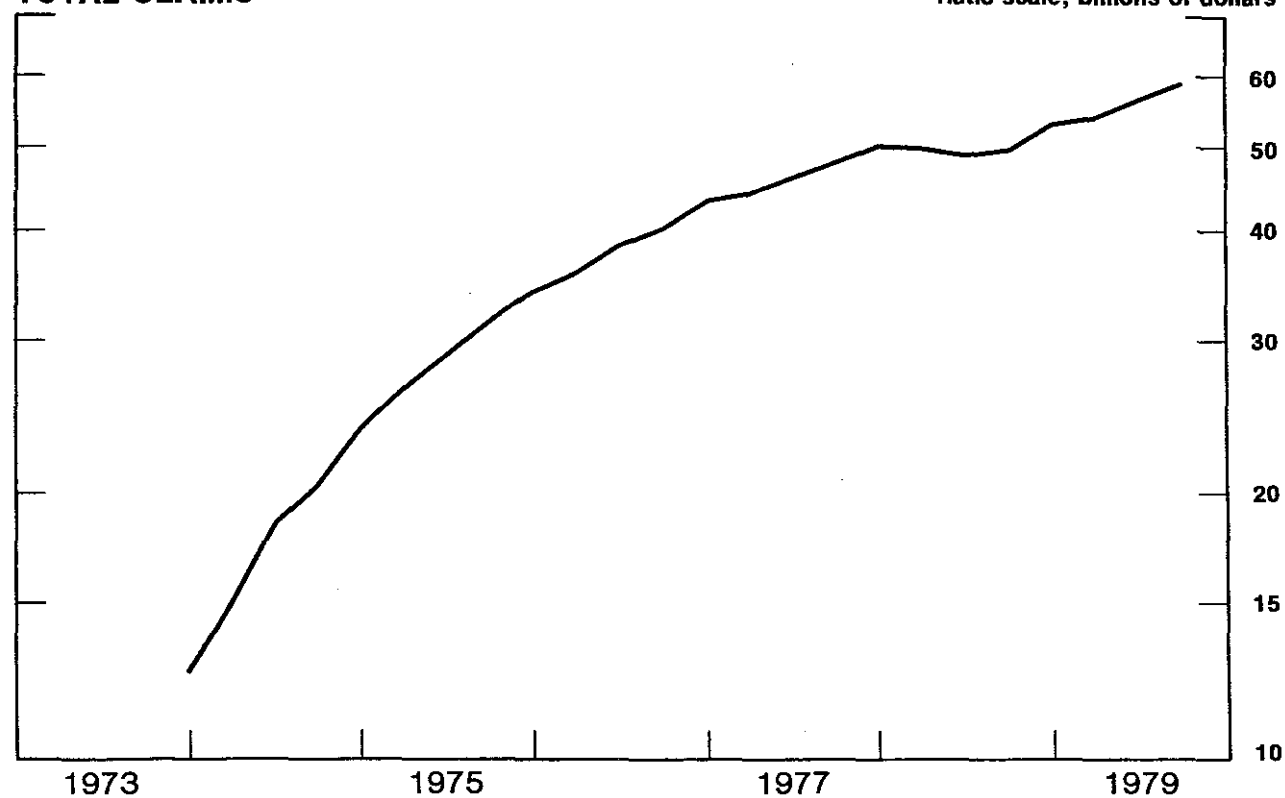
^{1/} Public long-term debt reported by the World Bank plus staff estimates of private long-term debt and short-term debt of developing countries other than offshore banking centers.

^{2/} Foreign claims of banking offices in major industrial countries and U. S. bank branches in offshore banking centers.

e = estimate

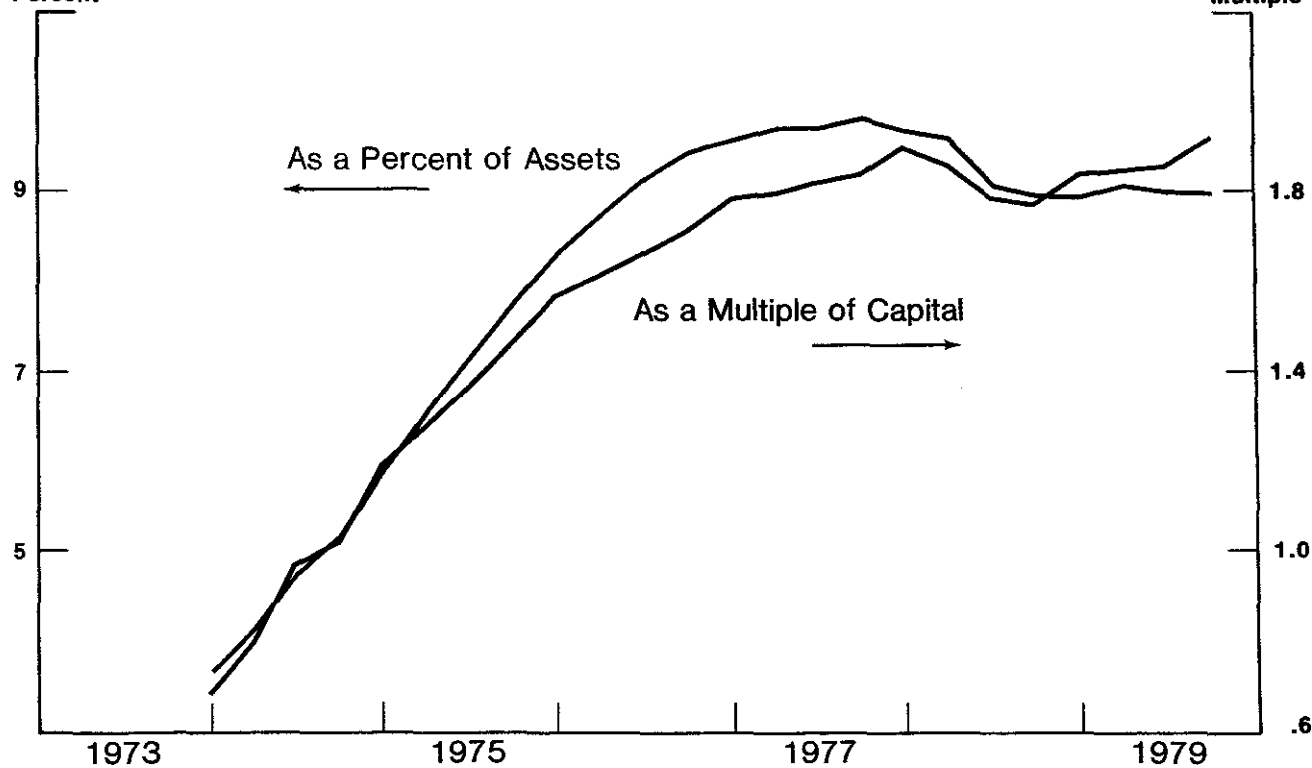
U.S. BANK CLAIMS ON NON-OIL DEVELOPING COUNTRIES**TOTAL CLAIMS**

Ratio scale, billions of dollars

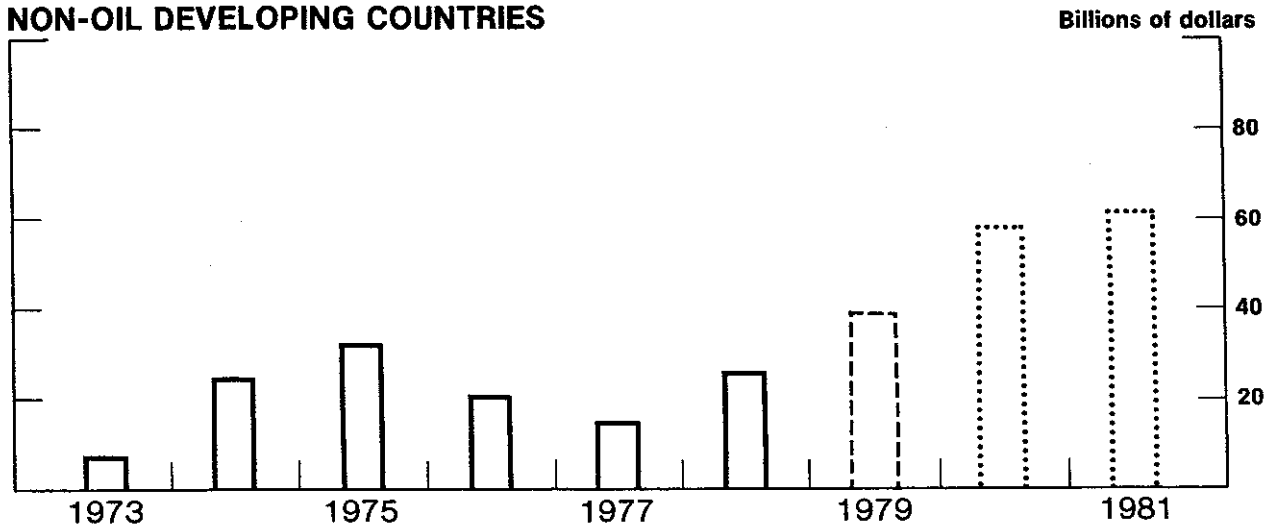
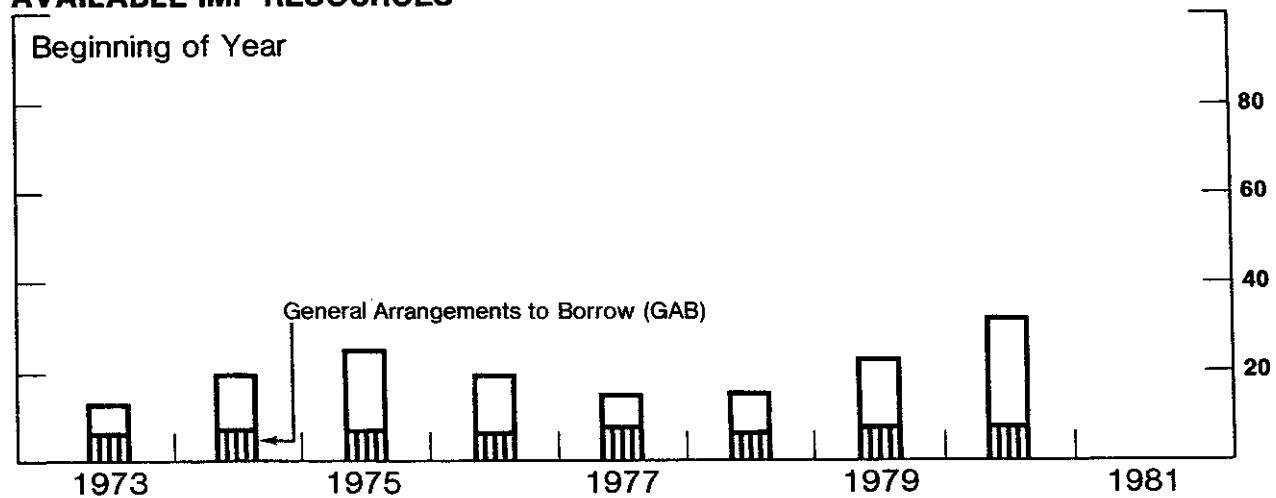
**RELATIVE TO ASSETS AND CAPITAL***

Percent

Multiple



*Capital and assets data refer to 24 large banks that account for about five-sixths of U.S. bank lending to non-oil developing countries.

**CURRENT ACCOUNT DEFICITS OF
NON-OIL DEVELOPING COUNTRIES****AVAILABLE IMF RESOURCES****RESERVES OF NON-OIL DEVELOPING COUNTRIES**